United Nations A/C.2/52/SR.8

General Assembly
Fifty-second session

Official Records

Distr.: General
9 February 1998
English
Original: Spanish

Second Committee

Summary record of the 8th meeting
Held at Headquarters, New York, on Wednesday, 22 October 1997, at 4.30 p.m.

Chairman: Mr. de Rojas ..... (Venezuela)

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The meeting was called to order at 4.30 p.m.

General debate (*continued*)

1. **Mr. Ashur** (United Arab Emirates) said that, as the third millennium approached, the world was going through a period of transition created by the policies adopted in various countries in order to achieve sustainable economic growth. Although those efforts had shown great promise, progress had been uneven and certain countries had even suffered reverses, such as recession and a drop in gross national product per capita, as well as socio-economic problems which stemmed from insufficient structural development caused by the lack of capital flows and private investment.

2. The international community must formulate strategies founded on cooperation and solidarity, since economic and social development for all was a political and moral necessity. His delegation was concerned because many of the economic and structural reforms undertaken in a number of countries had not succeeded in alleviating scourges such as poverty, illiteracy, unemployment, crime and drug abuse. Steps must also be taken to truly reduce the burden of external debt and the servicing of that debt and provide assistance to countries faced with those problems through capacity-building and the transfer of technology for peaceful purposes.

3. His delegation supported the statement made on behalf of the Group of 77 and China and insisted that the developed countries must reach the agreed target of 0.7 per cent of gross national product for official development assistance. The developing countries, for their part, must do more to attract capital flows and investment.

4. His Government supported the establishment of a pluralist trade system, non-discriminatory and transparent, based on international law and justice as well as on the appropriate international instruments negotiated in the World Trade Organization (WTO) and the relevant international institutions, and, with that in mind, he recalled the recommendations of the Uruguay Round of multilateral trade negotiations. It was therefore necessary to highlight the disappointing deterioration observed in certain countries of the South and the need to offer them more opportunities to continue the process of reform and establishment of macroeconomic policies, with a view to ensuring their participation in trade, distribution of their products and exports, and their access to international markets, in accordance with the recommendations of the United Nations Conference on Trade and Development (UNCTAD).

5. The acquisition of territory by force was an unacceptable act which contravened the principles of the Charter of the United Nations and international law; he therefore reiterated his support for the inalienable rights and sovereignty of the inhabitants of the Syrian Golan and southern Lebanon over the natural resources of those territories, and urged that pressure be exerted on the Israeli occupation authorities to allow the Palestinian people to exercise full control over their territories, including Jerusalem. The occupying authorities must compensate the Arab population of Palestine for the losses which they had suffered as a result of illegal practices by the Israelis.

6. His delegation attached great importance to reform of the international organizations and, as his Minister for Foreign Affairs would say before the General Assembly, it fully supported the reforms proposed by the Secretary-General in the context of the restructuring of various agencies of the United Nations, particularly the Economic and Social Council. It also supported the work that the Committee would have to undertake regarding the problems apparent in the area of economic and social development.

7. **Mr. Ayewah** (Nigeria) associated himself fully with the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. Concerning the various items on the Committee's agenda, he wished to point out the current trend towards globalization and liberalization of trade, which tended to widen the gap between the developed and developing countries. The latter, particularly in Africa, were overwhelmed by problems such as fluctuating commodity prices, the heavy burden of their external debt, the unpredictable and volatile nature of the global foreign exchange market and the risk of marginalization from the world economy.

8. His country, like many countries in Africa, had in the preceding two years implemented policies to ensure stability and economic growth by encouraging domestic and foreign investment. His Government had abrogated those laws which had limited investment in the key sectors of the economy to Nigerian citizens, and in 1996 had launched the long-term development programme known as Vision 2010.

9. Given that Africa needed the support and assistance of the international community to deal with development problems, his delegation believed that the developed countries, and the international financial institutions in particular, must implement financial and trade policies which would enhance the access of developing countries to the developed markets. In that context, the implementation

of the Uruguay Round of the multilateral trade agreements remained crucial.

10. With respect to cooperation for development, his delegation recognized the importance of the renewal of dialogue on strengthening international economic cooperation for development through partnership. The need to reinvigorate that dialogue had become critical in view of the disappointing outcome of the nineteenth special session of the General Assembly on the overall review and appraisal of the implementation of Agenda 21. His delegation attached great importance to the effective follow-up and implementation of the decisions and recommendations reached at the international conferences held under the auspices of the United Nations during the 1990s, and felt that it was urgent that the developed countries fulfil the commitments agreed to in the adopted programmes of action. In that regard, he welcomed the conclusion and adoption of the Agenda for Development and called for its effective implementation.

11. The issue of external debt was one of the most crucial faced by the developing countries, especially in Africa, and the various debt relief measures, including the Heavily Indebted Poor Countries Debt Initiative, had not satisfactorily addressed that problem. His delegation therefore hoped that the international community would take up the challenge of finding a durable solution and lent its support to the holding of an international conference on finance and development before the year 2000.

12. In view of the uncertainties the global economy raised for the developing countries, there was a need to support their efforts to eradicate poverty. That required the mobilization of resources by the developed countries in the context of their financial commitments to development and official development assistance, in order to support the efforts of the developing countries to build national capacity and develop their human resources for sustained economic growth.

13. In his delegation's view, development was a multidimensional issue, and the United Nations, in collaboration with the Bretton Woods institutions, should play a significant but complementary role in launching concrete and sustained partnership between the developed and the developing countries with a view to cooperating on the basis of mutual interests and shared responsibilities.

14. **Mr. Dambyn** (Mongolia) associated himself with the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and highlighted the positive effects of the globalization and liberalization processes on the international economy and trade, namely, widespread economic growth, recovery from the recession in the developed economies, economic growth in the developing countries and progress in transition economies in building effective market institutions.

15. Nevertheless, those processes had brought with them, at the same time, complexities, uncertainties and risks for developing nations, since benefits were unevenly distributed, including among the developing countries themselves, many of which, particularly the least developed, landlocked and small island countries, had been unable to seize the new opportunities.

16. Special attention must be devoted to those developing countries, and special measures must be taken to mitigate any adverse effects that the implementation of the Uruguay Round agreements might have on them. Efforts should also be made at the international level to examine policies and measures to increase private capital flows to the low-income developing countries.

17. It was alarming to note the fall in official development assistance in 1996 and the absence of signs of recovery in 1997. His delegation shared the view that the growth of foreign direct investment could not replace official development assistance, since private capital had basically been concentrated in a few developing countries and, moreover, such investment could not always address the different development requirements of those countries or their social problems. His delegation urged the implementation without delay of the Agenda for Development, which had finally been adopted after long and arduous negotiations and was an acknowledgement of the multidimensional nature of development and the central role of the United Nations in international cooperation to achieve it.

18. His Government attached high priority to strengthening the role of the United Nations in promoting international cooperation for development, and believed that the ongoing debate on reform of the Organization should be translated into practical and concrete measures. It therefore supported the reform programme presented by the Secretary-General.

19. With regard to the participation of the developing countries in the globalization of the economy, the doubly disadvantaged position of landlocked developing countries deserved particular attention, since their nature reduced their competitiveness at the trade level and caused structural deficiencies, imbalances and further difficulties in their socio-economic development. His delegation hoped that the General Assembly would adopt a resolution during the current session on specific measures related to the particular needs and problems of those countries, and that a transit

transport infrastructure would realistically be established through regional cooperation. The foundations for such regional cooperation had been laid in 1997 with the holding of the first Northeast Asia Subregional Consultative Meeting on Transit Transport Cooperation in Ulaanbaatar.

20. The need to combat desertification, drought and other forms of environmental degradation at the international level had become more urgent and required a concerted international response. In that respect, the first Conference of the Parties to the United Nations Convention to Combat Desertification had been a turning point. Another very important event was the special session of the General Assembly to review and assess the implementation of Agenda 21, which confirmed the need to increase cooperation and demonstrate greater political will in order to ensure economic growth and sustainable development and fulfil the commitments undertaken in Rio in 1992.

21. More than seven years had passed since Mongolia had begun its transition from a centrally planned economy to a market economy, a process which had been substantially speeded up in June 1996, when, for the first time in 70 years, democratic forces had come to power as a result of a general election. His Government attached special importance to its integration in the world trading system as a prerequisite for sustained economic growth and development, and was pleased to note that after prolonged and difficult negotiations Mongolia had become a member of the World Trade Organization. His Government had also recently introduced a zero per cent import tariff as a sign that its trade policy was based on a free and open market.

22. **Mr. Mahugu** (Kenya) said that his delegation associated itself fully with the statement made by the representative of the United Republic of Tanzania in his capacity as Chairman of the Group of 77. While recognizing that there had been widespread growth in the world economy, he said that such growth was not significant in some parts of the developing world. Sustained economic growth of at least 7 per cent was needed in order to contribute significantly to the macroeconomic stability of many developing countries and to arrest and reverse the spread of poverty.

23. The debt burden continued to prevent many developing countries from achieving sustainable economic development and growth, particularly in the African region. Those countries had invested enormous sums in the repayment of debt, which curtailed the provision of social services in basic areas such as education and health. The situation was further exacerbated by the negative effects of structural adjustment programmes and the ever-declining flow of official development assistance. Durable solutions, which might include debt cancellation, must be found to that situation.

24. He urged the international community to increase direct foreign investment, especially in Africa, as it was insufficient despite the structural adjustment programmes undertaken by the developing countries in order to create a favourable economic environment.

25. Several plans of action had been adopted at the various United Nations conferences held since 1990, and their full implementation could have far-reaching benefits. It was regrettable, however, that they had been only partially implemented owing to the limited capacity of many developing countries and inadequate support from the international community.

26. While the liberalization of world trade was expected to yield benefits to the international community, there were clear indications that it might not be so in all regions. For example, the opening of the African market to external competition had had negative effects on its industrialization, and the phasing out of preferential trade arrangements with Africa and other developing countries posed threats to their traditional markets. Trade remained one of the surest avenues to economic growth and sustainable development; therefore, market access for the commodities of developing countries must be facilitated, particularly for textiles and agricultural products. The international community must promote an open, equitable, non-discriminatory and rule-based multilateral trading system.

27. The East African subregion was undertaking innovative steps to promote regional socio-economic integration within the framework of multilateral cooperation in trade and development. It had expanded the mandate of the Intergovernmental Authority on Development to focus on issues of development and conflict prevention, management and resolution. In the wider subregion, the Common Market for Eastern and Southern Africa (COMESA) continued to be the main vehicle for regional economic integration.

28. The United Nations played an important role in consensus-building in international economic cooperation and by continuing to uphold the principles of universality, sovereignty and multilateralism in its decisions and operational activities. Kenya expected that the reform of the Organization would be carried out in a transparent manner and in full compliance with the democratic principles and purposes of the Charter. The Economic and Social Council should assume effective coordination of international policies and the activities of the specialized agencies. In addition, it should ensure mobilization of resources for

operational activities, which were critical for socio-economic development.

29. **Mr. Sherpa** (Nepal) said that his delegation aligned itself with the statement made by the Chairman of the Group of 77. The post-cold-war era had been marked by unprecedented technological advances, the development of democratic institutions and agencies and rapid advances in information technology. Globalization and liberalization had given new meaning to international development, all of which had transformed lifestyles. Nevertheless, the continued marginalization of the poorest and weakest had been responsible for the isolation of the major part of humanity, which was trapped in poverty. Nepal was of the view that the international community should adopt a balanced approach which placed equal emphasis on political and economic development, in order to build a new world order acceptable to all.

30. The effective participation of the developing countries was essential to the solution of the world's economic problems. The process of globalization and liberalization should therefore include an equitable and effective mechanism for multilateral macroeconomic policy coordination. The United Nations was the best place for that objective to be met in an atmosphere of transparency and with the full participation of all.

31. Only poverty could slow or change the course of the globalization process; however, the threat would not arise from isolated pockets of poverty that could be observed in both the developed and the developing countries. Rather, it would come from the absolute poverty existing and rising rapidly in almost all of the least developed countries. The timely redress of that situation could prevent a catastrophe which would engulf the entire world. In the absence of the flow of foreign direct investment to the least developed countries, it was imperative to maintain and raise the level of official development assistance to 0.2 per cent of gross national product, in accordance with the commitments made in Paris.

32. The special problems of landlocked developing countries required urgent attention from the international community. Lack of direct access to the sea not only added to the cost of their products, but also inhibited foreign investment. Transit countries must provide free and unrestricted access to the sea, and developed countries must give support by allowing freer access to their markets. The implementation of the conclusions and recommendations of the meeting of governmental experts from the landlocked and transit developing countries and representatives of donor countries and development institutions held at United Nations Headquarters in May 1997 could herald a new era of multilateral cooperation.

33. **Mr. Dzundev** (The former Yugoslav Republic of Macedonia) said that his delegation shared the views expressed by the representative of Luxembourg on behalf of the European Union. The reports on the recent performance of the world economy were encouraging. The global trend towards growth appeared to be sustainable, but not for all economies. The developing countries and the countries with economies in transition struggled with many difficulties, which were reflected in the growing gap between developed and developing countries. The unsatisfactory results of efforts to eradicate poverty, resolve the debt problem and increase investment in countries with transition economies and developing countries remained a cause for concern. The problem of unemployment was not limited to the developing countries; many countries were having problems with inflation; and many were trying to address problems in the field of the environment.

34. Globalization of the economy and liberalization of international trade had had a major impact and had produced positive results, although they could exclude the smaller and weaker economies. The leading financial and monetary institutions and organizations, such as the World Bank, the International Monetary Fund and the European Bank for Reconstruction and Development, should play a larger role in international cooperation and in the promotion of sustainable development.

35. It was encouraging to note that, in connection with the United Nations reform process, the Secretary-General had proposed the strengthening of the Secretariat in the economic and social fields. The Agenda for Development was also important and would no doubt serve as a focus for discussion in the Second Committee.

36. His Government had undertaken a number of reforms, and had increased output for the first time since 1989. Of particular importance had been the signing of a cooperation agreement with the European Union, which would enter into force on 1 December 1997. It had also adopted a number of laws in the economic sphere and had completed the establishment of the economic system and institutions essential to a market economy.

37. The stabilizing nature of its macroeconomic policy for 1997 had produced positive results. However, it continued to face a high level of unemployment and insufficient foreign investment, particularly in the private sector. Moreover, taking into account the region's economic interdependence and the importance of external factors, there

was good reason to advocate the integration of the Balkan economies into European economic structures.

38. **Mr. Danesh-Yazdi** (Islamic Republic of Iran) said that the widening gap between rich and poor at the global level constituted a disturbing trend. Equally disturbing was the growing marginalization of developing countries as a direct consequence of the twin processes of liberalization and unbridled globalization. Despite tremendous efforts at the international level in recent years to define and formulate a comprehensive concept of development, a reasonable balance between national responsibility for long-term sustainable development and international responsibility to facilitate the achievement of that objective had not been struck. In that context, he expressed his delegation's support for the statement delivered by the Chairman of the Group of 77 and China, in particular its emphasis on the collective responsibility of the international community with regard to the development of the developing world. From all indications, it was still necessary to convince the developed countries of the need for international cooperation for development.

39. Another difficulty stemmed from the concept of development itself, which was changing. Clearly, efforts were being made to change the relative importance of various elements and aspects of development. The agenda contemplated by the developed world was totally alien to the real needs of the developing societies, which were subject to the overwhelming pressure of globalization. An assessment of the implementation of the decisions of the recent major international conferences provided a measure of the practical commitment of the North to the outcomes of those conferences. The lack of progress was particularly glaring with regard to financing.

40. What was lacking was not financial resources per se, which were being directed in abundance towards desired channels. Only official development assistance was languishing. Therefore, what was needed was political will, which, in turn, must be predicated on an accurate understanding of common problems and difficulties and embody a future-oriented vision for a more humane and better world for all.

41. **Mr. Saliba** (Malta) said that the common concerns and interests of all countries with respect to the promotion of sustainable development and environmental protection cut across national borders. In that context, poverty, a problem affecting a large proportion of humanity and an impediment to sustainable development, was a priority issue in the international debate. His delegation believed that the question of sustainable development should be addressed within a wider framework that took into account the individual's quality of life. The United Nations must therefore, continue to focus its efforts on the eradication of poverty with a view to promoting human dignity and social justice. No country could enjoy peace and prosperity unless basic human rights were respected and the State adopted a democratic system of government.

42. At the same time, a country's interests could not be isolated from the regional and international contexts, particularly with regard to environmental and developmental concerns. Indeed, environmental degradation knew no borders. Cooperation at the regional and international levels therefore remained a key aspect of the implementation of the agreements reached in that field.

43. The cooperation necessary for financing development activities was equally important. His delegation was particularly concerned at the ever-widening demographic and economic disparities between the countries of the northern and southern Mediterranean region. Poverty, combined with the lack of job opportunities and deteriorating living conditions, was fuelling tensions throughout the region. The United Nations must devote more attention and time to coordinating effective action to alleviate the environmental degradation in which billions of persons lived.

44. Malta had been in the forefront of regional initiatives, including the establishment of the Mediterranean Commission for Sustainable Development within the framework of the Barcelona Convention and the Mediterranean Action Plan. In the past 20 years, and, in particular, since the Rio Conference, Malta had taken various initiatives to protect and safeguard the environment. In that connection, it called for the fulfilment of the commitments undertaken at the Global Conference on the Sustainable Development of Small Island Developing States, held in Barbados, and looked forward to the review of its outcomes by the General Assembly in 1999. In conclusion, he said that Malta had been one of the first countries to propose the elaboration of a vulnerability index.

45. **Mr. Dimitrov** (Bulgaria) expressed his delegation's support for the statement delivered by the representative of Luxembourg, during the Committee's third meeting, on behalf of the European Union and its associate countries. In the atmosphere of reform that characterized the current session, his delegation reiterated its support for the reform proposals of the Secretary-General and attached particular importance to the strengthening of the role of the United Nations in promoting international cooperation and establishing partnerships for sustainable development.

Within the context of the efforts of the Secretary-General to streamline the work of the United Nations funds and programmes engaged in development assistance, his delegation welcomed the conversion of the country office of the United Nations Development Programme (UNDP) in Sofia into a centre for experimentation in that area.

46. With regard to the current trends in the world economy, while Bulgaria recognized that globalization and liberalization offered new opportunities to all States, it also realized that they had a cost, which could, however, be mitigated through the implementation of sound economic, social and environmental policies.

47. At the national level, his Government had set the following goals: achieving financial stabilization, market-oriented structural economic reform and speedy privatization; strengthening and modernizing the State administration; strengthening the rule of law and combating organized crime and corruption; and integrating Bulgaria in the Euro-Atlantic community of nations. Despite the scarce resources available to it and its untested new legal procedures and provisions, the new Government had already realized important achievements in the political and economic spheres, and in combating crime.

48. Lastly, he wished to draw the Committee's attention to an issue that affected Bulgaria in particular: the impact of the United Nations sanctions regime on the economies of third countries. Bulgaria had suffered serious economic losses as a result of the strict application of sanctions against Iraq, the Libyan Arab Jamahiriya and, in particular, the Federal Republic of Yugoslavia, which were among its major economic partners. Those losses were equivalent to the amount of the country's foreign debt. In his delegation's view, the burden of the special economic problems created by the strict application of sanctions should be fairly distributed among Member States and not borne solely by those States that happened to be neighbours or economic partners of the sanctioned countries. His delegation stressed the importance of implementing the provisions of the General Assembly resolutions urging the organizations of the United Nations system, the international financial institutions and other international bodies to continue to address more specifically and directly the issue of economic assistance to third States affected by the application of sanctions. In that connection, new and innovative practical measures for assistance to affected third States, including direct economic support and other forms of non-financial assistance, should be prescribed.

49. His Government would continue to seek the cooperation and support of the international financial institutions with a view to restructuring the national economy at the lowest possible social cost. He stressed the need for a more substantial contribution by those institutions and by donor countries in order to ensure the success of the country's reform efforts and its integration in the world economy.

50. **Ms. Beneke** (El Salvador) endorsed the statement made at the Committee's fourth meeting on behalf of the Group of 77 and China and said that, in the era of globalization and liberalization of markets, international trade and private investment were playing an increasingly important role in promoting the economic growth and sustainable development of developing countries. However, many of those countries did not enjoy the benefits of globalization since private capital flows were not evenly distributed among all countries. At the same time, official development assistance (ODA), which in some cases was important to ensure the sustainable development of developing countries, had declined steadily in recent years.

51. International cooperation and financing mechanisms should be maintained and strengthened. Moreover, any international assistance project for development should be carried out in close cooperation with the recipient Governments in order to ensure that the priorities established in national development programmes were safeguarded and supplemented; as few conditionalities as possible should be attached to such assistance.

52. Donor countries should honour the commitment of allocating 0.7 per cent of their gross domestic product to international development. She welcomed the commitment made by the Luxembourg delegation on behalf of the European Union at the Committee's third meeting to meet that target as soon as possible.

53. Referring to El Salvador's latest achievements, she noted that her country had achieved macroeconomic stability and was promoting competitiveness. Inflation has been reduced to a single digit and international reserves were at their highest levels ever. However, El Salvador would continue to need international cooperation in order to further consolidate the process of reconciliation that had resulted from the signing of the Peace Agreement in 1992. In that regard, she expressed her Government's gratitude to the various United Nations programmes and countries that had helped to achieve and maintain peace in her country; it hoped that it could continue to rely on the international community's firm support.

54. The liberalization and opening up of international markets, in an attempt to promote the establishment of "free and fair" trade in commodities, services and capital goods,

had yet to achieve the expected results. There were still many barriers to the commodities of primary interest to developing countries, especially in the agriculture and textiles sectors. There was also a growing trend towards the imposition of non-tariff barriers and conditionalities on imports from developing countries, on the basis of differences in labour and environmental standards.

55. The special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 had demonstrated that all the commitments entered into at the Rio Conference had not yet been met. The Government of El Salvador, which accorded a high priority to the protection of the environment and sustainable development, had established a Ministry of the Environment and Natural Resources. It should be recognized that in order for developing countries to apply the provisions of international conventions in the area of the environment to which they were parties, it was vital that they should have the support of technology transfer and financing mechanisms such as the Global Environment Facility. In that regard, developed countries should finalize the negotiations of the Ad Hoc Group on the Berlin Mandate at its next session, which would pave the way for the adoption of a protocol with clearly defined goals for the reduction of greenhouse gas emissions at the third Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Kyoto in December of the current year.

56. On Friday, 17 October, the International Day for the Eradication of Poverty, a Salvadorian farmer who had benefited from a forestry project sponsored by the United Nations Development Programme would be honoured. The project also included education and health components and benefited some 5,000 low-income Salvadorian families. The experience of the community in which the person being honoured lived highlighted the importance of official development assistance.

57. **Mr. Ri Kwang Nam** (Democratic People's Republic of Korea) endorsed the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China and said despite the fact that in the 1990s the international community had given top priority to the issue of development in the work of the United Nations and had further strengthened its efforts to achieve sustainable development, the world economic situation indicated that considerable imbalances and inequalities existed between the developed and developing countries. The negative impact of the process of globalization and liberalization on the economies of developing countries had been exacerbated by the growing decline in ODA and the selective allocation of foreign direct investment. Therefore, in order to eliminate poverty and inequality, achieve sustainable development and guarantee the prosperity and well-being of humankind, the international community should first establish equitable economic relations based on a genuine partnership by implementing political commitments and action plans formulated at the international conferences held in recent years.

58. To that end, the decision-making process in the area of the international economy, finance and trade should be democratized by ensuring the equal participation of the developing countries. Moreover, preferential terms for developing countries should continue to be applied in international trade to complement their comparative vulnerability and limitations. At the same time, no preconditions which were irrelevant to trade should be attached and the treatment of countries on a selective basis should be discontinued. There was also a need to take further constructive initiatives and to adopt measures so as to achieve a comprehensive resolution of the external debt problems of developing countries. The right to development as well as the right of a country to choose its own social and economic system should be respected. Furthermore, economic sanctions should not be tolerated.

59. The developing countries had the right to expect international cooperation and, in particular, technical assistance, without any discrimination, and the developed countries should consider the possibility of allocating new and additional resources to support the development process. In that context, his country supported the proposal to convene an international conference on financing. It also was necessary to establish an international mechanism to promote the transfer of environmentally sound technology to the developing countries on preferential and concessional terms.

60. As to the reform of the United Nations in the economic and social fields, his delegation supported restructuring which would foster the economic and social development of the developing countries.

61. His Government attached great significance to regional economic development and had declared Rajin-Sonbong a free trade zone with a view to creating a favourable environment for foreign investment, supported by relevant legislation. The success of initiatives undertaken in the area would contribute to the sustainable development of north-east Asia and to the overall development of the international economy.

62. **Mr. Goritza** (Romania), after noting that his delegation fully supported the statement made by the delegation of Luxembourg on behalf of the European Union

and the associate States, said that from an economic standpoint the contemporary world was characterized by increased interdependence and globalization. Accordingly, the States Members of the United Nations had the historic opportunity to offer solutions which would enable the United Nations to respond fully to the requirement of peace, security and prosperity for all.

63. His delegation was following with interest the current consultations on the reform proposals presented by the Secretary-General and was confident that their timely approval by the General Assembly would benefit the United Nations and Member States alike. The reform was not only a set of proposals, but also, a spirit in which nations should address the changing economic environment at the national, regional and world levels.

64. The Second Committee, for its part, should orient its debate towards new concepts and realities of the world economy. He drew attention to a number of issues which were relevant for the work of the Committee: (a) an ongoing exchange of information with institutions and organizations concerned with various economic issues (the World Bank, the International Monetary Fund, the World Trade Organization and the Organisation for Economic Cooperation and Development); (b) issues relating to regional integration could be placed on the Committee's agenda, paving the way for a broad exchange of information on a dynamic process in the world economy; (c) at a time when non-governmental private actors had become the leading forces spurring globalization and the reshaping and reorientation of traditional commercial, financial and investment flows, the participation in the Committee's debates of managers from major companies involved in the globalization process could offer valuable input since they could share their views on expected or future developments in world markets; (d) in a global economy macroeconomic and microeconomic aspects were equally important, good management was as important as good governance, and small and medium-sized enterprises were the most appropriate structure for an increasingly competitive and dynamic market, since they were essential elements of the economy of scale which covered major economic sectors and geographical areas; his delegation therefore welcomed the consensus which had emerged in the Second Committee to take up the question of small and medium-sized enterprises as a special theme for debate during the current session; (e) the realities of the global economy were reflected in new concepts and in new meanings for old concepts; thus, the concept of partnership could be redefined in the light of the new circumstances of globalization, in such a way that all participants represented equal parts of a common endeavour, characterized by a balance between rights and responsibilities which was essential for the sustainability of the partnership.

65. In September his country had hosted the Third International Conference of New and Restored Democracies organized jointly by the Government of Romania and the United Nations Development Programme, at which representatives of Governments, non-governmental organizations and academia from 77 countries had discussed the relationship between development and democracy. Bearing in mind that the framework offered by a democratic society to entrepreneurship, private initiative and decentralization of economic activities influenced the economic evolution of new or restored democracies and presented broader opportunities for economic prosperity, his delegation proposed that in 1998 the agenda of the Second Committee should include a specific item on the relationship between development and democracy.

66. As a result of the reform process under way in the United Nations, the Department for Economic and Social Affairs had become the focal point for the coordination of the economic and social activities of the United Nations system, with the result that the key elements for development (sustainability, analysis of economic and social developments and management) were being coordinated in a unique manner. His delegation, recognizing the importance of the Department and confident in its capacities, wished to make a number of suggestions regarding its future activities: (a) the Department could promote and support the dynamism of the economic debate within the United Nations by new and innovative means. Promoting a dialogue and exchange of information with international institutions and representatives of the private sector involved in the globalization process could become a permanent practice of the Department and the bodies which it coordinated; (b) the Department could publicize more fully outside the United Nations the results and conclusions of debates in the economic, social and related fields; (c) coordination of the follow-up to major United Nations conferences could be strengthened, drawing on the experience of the past two years. The issue could be reviewed in joint sessions of the Second and Third Committees of the General Assembly; (d) the World Economic and Social Survey and the regional economic surveys should remain reference documents for the United Nations. Along with those studies, the Department could issue global analyses on themes of interest reflecting new trends and phenomena in the economic, social

and related fields; (e) the dialogue and exchange of information with the United Nations programmes and funds could be improved on a permanent basis.

The meeting rose at 6.15 p.m.